

The wages of informal workers in the Plazuela del Cooperativista as a family economic problema

El salario de los trabajadores informales de la plazuela del Cooperativista como problema económico familiar

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Abstract

This article took as its main objective to determine if the wage paid informal workers in the square of the cooperative is to fund sustainable economic household expenses, and thus make known their socioeconomic status. To this end statistics from the National Institute of Statistics (INE) and primary data sources were used, as surveys and interviews were conducted.

Resumen

El presente artículo tuvo como objetivo principal determinar si el salario pagado a los trabajadores informales en la plaza de la cooperativa es para financiar los gastos económicos sostenibles del hogar, y así dar a conocer su situación socioeconómica. Para ello se utilizaron estadísticas del Instituto Nacional de Estadística (INE) y fuentes de datos primarios, ya que se realizaron encuestas y entrevistas.

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Introduction

The article shows the economic situation of informal workers in the plazuela del cooperativista in the city of Sucre, the wages they receive and whether they support family expenses.

As informal workers, they do not have an employment contract, lack social security, compensation, retirement, minimum wage, among other labour rights. This situation is not only found in the plazuela del cooperativista, it is reflected throughout Bolivia, as human resources indicates, informal employment in Bolivia reaches 74 per cent of the economically active population (EAP), which comprises 3.7 million jobs in the country, equivalent to two thirds of the population [losrecursoshumanos, 2012].

The article will be divided into 4 sections. The first section will refer to the informal economy, informal work, and decent work. The second section will refer to the minimum wage; the third section will refer to the indicators that determine the economic situation of workers and, finally, the fourth section will cross-reference data showing the salary they receive and the expenses they have per month, demonstrating the socio-economic situation of workers.

Informal economy, informal work and decent work

The informal economy is the hidden economic activity, hidden only for reasons of tax evasion or purely administrative control (e.g. undeclared domestic work, spontaneous street vending or undervaluation of the deeded price in a real estate sale or purchase). [Chacolla, 2011]

The concept of the informal economy was born in the third world, as a result of a series of studies on the urban labour market in Africa, it is part of the underground economy, together with illegal economic activities (e.g. false or falsified invoicing, drug trafficking, arms trafficking, money laundering). [Garcia, 2012]. The International Labour Office (ILO) redefined informality, making it synonymous with poverty, however, to better understand informal work, one must understand what informality is; understanding informality as "self-employment".

Informal work in Bolivia reaches 74 per cent of the economically active population (EAP), which comprises 3.7 million jobs in the country. The information is contained in the study "El derecho al empleo digno" (The right to decent employment), in the framework of the autonomies, elaborated by the economist Enrique Velazco, with the support of Ayuda Obrera Suiza (AOS), the foundation for small and medium industry Inaset and the International Labour Organisation (ILO); the author affirmed that the biggest problem in the country has to do with the quality of employment; two thirds of the employed population are in the informal sector and work without an employment contract.

They also lack social security, compensation and retirement benefits; according to the study, the level of informality in the capital cities is 65 per cent, and in rural areas it rises to 90 per cent. According to Velazco, to reduce informality by 50 per cent between 2010 and 2015, 1,826,386 decent jobs must be created, at a rate of 365,277 per year. [losrecursoshumanos, 2012]

The national development plan and its four pillars that make up Bolivia include the Dignified Bolivia pillar where, among other indicators, they talk about dignified work, which is understood as a remunerated activity that creates goods and services for society, and also generates satisfaction and sufficient income for the person who carries out this work for their own and their family's wellbeing.

The minimum wage

The minimum wage in Bolivia is fixed for periods of one year and is paid monthly, [cambio, 2012] Between 2000 and 2014, the national minimum wage in Bolivia increased by 310%, according to data provided by the Ministry of Communication and Bolivia TV.

Description	2011	2012	2013	2014
Salary minimum wage (in bolivianos)	815,4	1.000	1.200	1.440
Decree supremo (number)	809	1213	1549	1988
Date of promulgation	02/03/2011	01/05/2012	10/04/2013	01/05/2014

Table 1 Bolivia national minimum wage

Source: Bolivian official gazette national institute of statistics

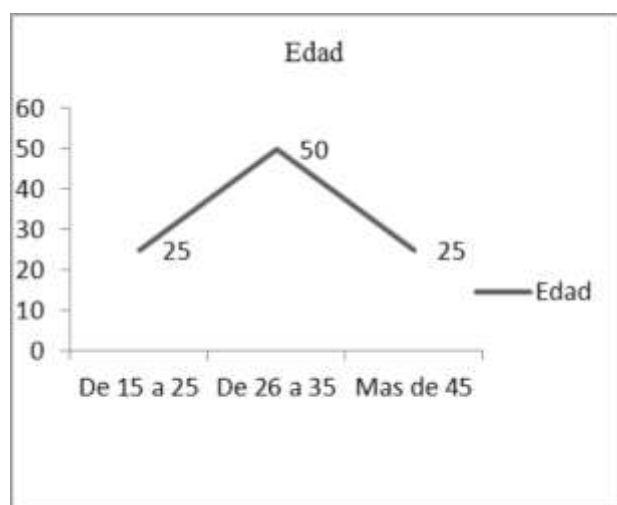
The difference between wage and salary is that wages are defined as payment made to workers on an hourly basis while salary is specific amount of money paid on a weekly, fortnightly or monthly basis. [society, 2012]

Socio-economic indicators

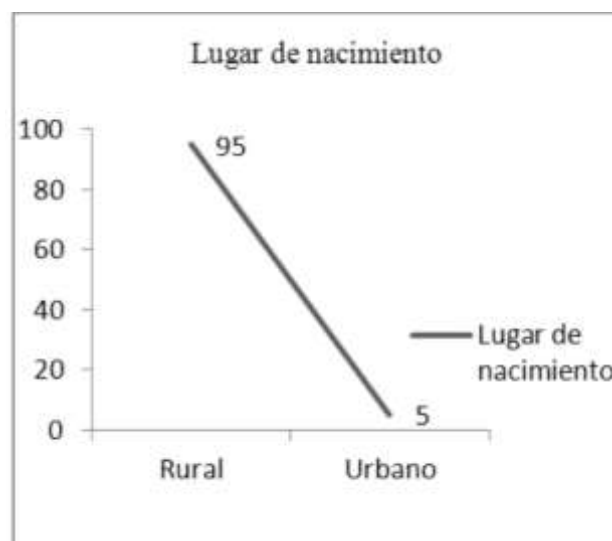
The indicators we used to determine the socio-economic status of the workers in the cooperativista's plazuela were:

- Age
- Education level
- Place of birth
- Job he performs
- Civil status
- Daily income
- Number of children
- Hours worked

Which were determined in the questionnaire yielding the following results:



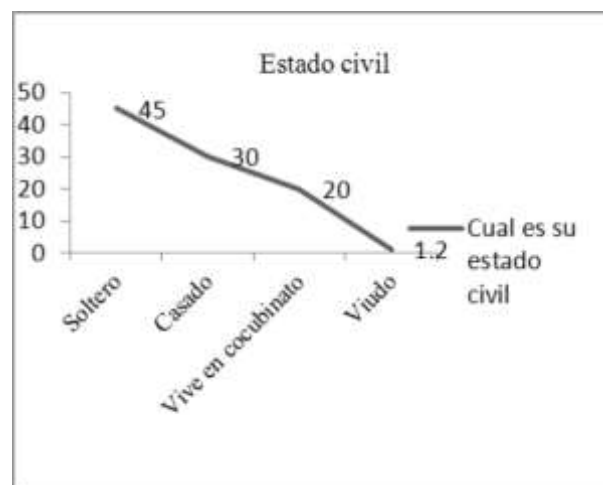
Graph 1



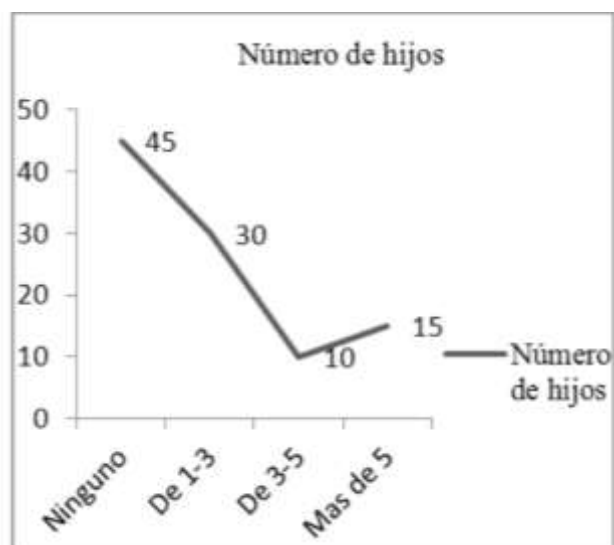
Graph 2

With regard to the age of the workers, the average age of the workers is 35 years, so most of them are single and have no children. With regard to the level of education, 70% of the respondents only studied up to primary school.

It can be determined that the majority of the workers in the cooperativista plazuela are migrants, a variable that was ratified with the observation that the majority of those surveyed had the Quechua language as their predominant language, typical of their regions of origin.

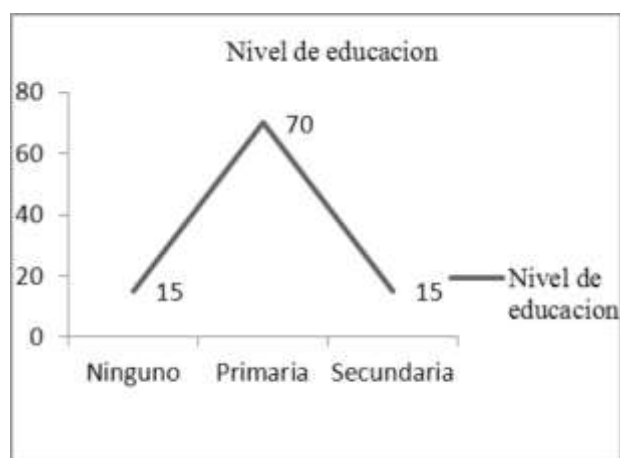


Graph 3



Graph 4

It can be seen that 50 percent of those surveyed are single, a determining factor when it comes to disposing of their salary, followed by 30 percent who invest in family expenses. 40 percent have no children as a factor for the provision of salaries and extra expenses.



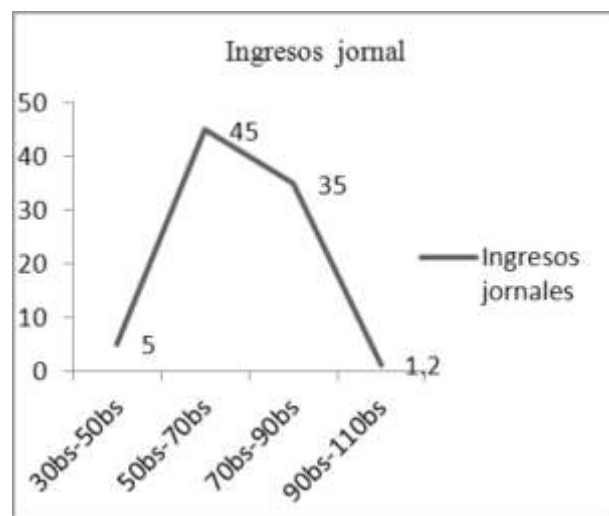
Graph 5



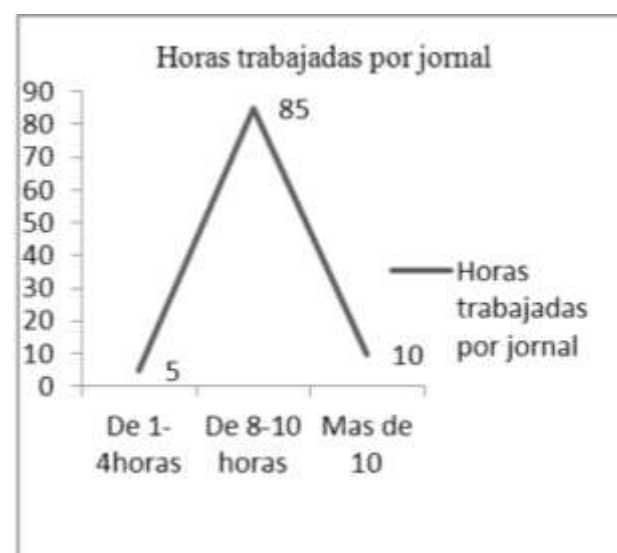
Graph 6

60 percent of the respondents have a primary school level of education, it is essential to know the level of education of the respondents as it determines their occupation in society.

95 percent of those surveyed were employed as helpers in their daily lives.



Graph 7



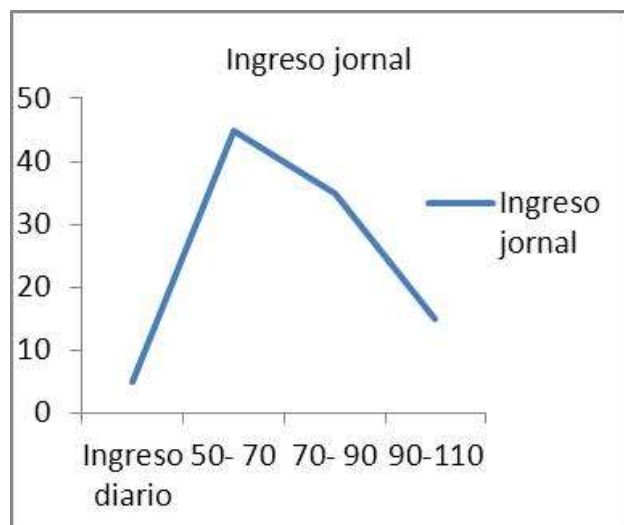
Graph 8

Forty-five percent of respondents receive between 50 and 70 bolivianos per day for work completed, depending on the demands of the job, the income can vary.

85 percent of respondents work between 8 and 10 hours a day, a variable that varies according to the job completed which allows them to take up a new one.

Comparison of expenditure

Daily income



Graph 9

95% of the workers are only assistants, which is why the average daily wage they receive is 70 Bolivianos and the hours worked are between 8 and 10 hours a day.

It was considered convenient to draw an average of the average daily wage received by the workers:

$$\text{media aritmetica} = \frac{x_1 * f_1 + x_2 * f_2 + x_3 * f_3 + \dots + x_n * f_n}{f_1 + f_2 + f_3 + \dots + f_n}$$

$$\text{media aritmetica} = \frac{0 * 5 + 200 * 12 + 400 * 3}{20} = 180$$

As can be seen, the arithmetic mean of the daily income of the workers of the cooperative's plazuela is 72 bolivianos per day, but for the comparison of the data we not only need the mean of one day, but also that of a month, so what was done was to multiply this figure by the total number of working days worked, that is, it was multiplied by 20 days:

$$20 * 72 = 1440 \quad (3)$$

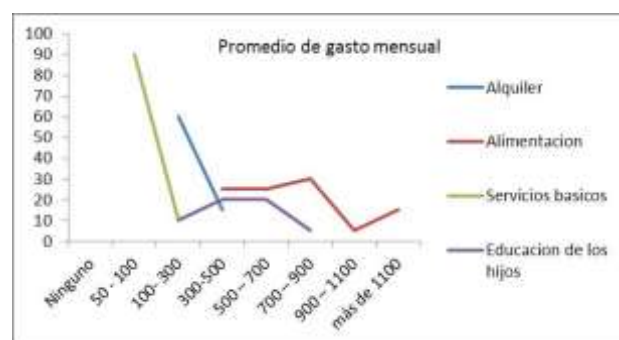
The average average monthly income of the workers of the cooperative's plazuela is 1440 bolivianos per month.

Average monthly expenditures in workers' households

The indicators used to determine this variable were:

- Nature of the worker's place of residence (whether it is the worker's own home or rented or rented out).
- Average monthly expenditure on renting the worker's home
- Average monthly expenses for the worker's basic utilities
- Average annual expenditure on education for workers' children

Which were determined in the questionnaire by voting on the following data:



Graph 10

Arithmetic mean of the average amount you spend monthly on renting your home:

(Medarithmetic average of the average monthly food expenditure

$$\text{media aritmetica} = \frac{400 * 5 + 600 * 5 + 800 * 6 + 1000 * 1 + 1100 * 3}{20} = 705$$

Arithmetic mean of the average monthly average of what you spend on basic services:

$$\text{media aritmetica} = \frac{100 * 18 + 200 * 2}{20} = 110$$

(6Arithmetic average of the average monthly amount you spend on your children's education:

$$\text{media aritmetica} = \frac{0 * 9 + 325 * 2 + 475 * 4 + 625 * 4 + 700 * 1}{20} = 5750$$

$$5750 / 12 = 479.16$$

Summing up the results of the Arithmetic Mean of each of the indicators above, it can be seen that the average mean of the expenses incurred by the workers of the cooperative's plazuela is:

Bolivianos

Comparison between the average monthly household expenses of the workers in the plazuela of the cooperativista with the average monthly salary of the workers.

After carrying out the arithmetic mean, it could be observed that the average monthly household expenditure of the workers of the plazuela del cooperativista is 1474.16 Bolivianos, while the average monthly salary they receive is 1440 Bolivianos.

It can be seen that there is indeed a deficit between what they earn and what they spend, but it is 34.16 bolivianos, which although it is not much, the real risk is that the workers in the plazuela del cooperativista, being informal, are prone to not getting work, since the number of informal workers exceeds one hundred people, which reduces their chances of getting work. In addition, they lack all the benefits of salaried workers such as retirement, social security, Christmas bonus, etc.

Conclusions

The socio-economic conditions of informal workers are subject to the high demand of workers in the cooperativist's marketplace, they do not have privileges such as health insurance, bonuses, pensions, fortnights, etc., which is why they are more vulnerable when they have to deal with expenses outside their budgets such as illnesses, parties, or any other extra expenses.

The average household expenditure of the workers in the cooperative's plazuela is 1474.16 Bolivianos per month, the average monthly salary they receive is 1440 Bolivianos. It can be observed that there is indeed a deficit between what they earn and what they spend, but it is 34.16 bolivianos, this varies according to the opportunities to get a job, it can be affirmed that the salary that informal workers receive does not cover all their expenses.

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